

RESOLUTION NO. 6

Whereas, the Aircraft Repair Station Safety Act of 1997 would provide for more stringent standards for certification of foreign repair stations by the Federal Aviation Administration and would revoke the certification of any repair facility that knowingly uses defective parts; and

Whereas, the Aircraft Repair Station Safety Act of 1997 would require all maintenance facilities, whether domestic or foreign, to adhere to the same safety and operating procedures; now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That it urges the President and Congress of the United States to enact the Aircraft Repair Station Safety Act of 1997; be it further

Resolved, That the Secretary of State of the State of Minnesota is directed to prepare copies of this memorial and transmit them to the President and Vice-President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Clerk of the United States House of Representatives, the chair of the Senate Committee on Commerce, Science, and Transportation, the chair of the House Committee on Transportation and Infrastructure, and Minnesota's Senators and Representatives in Congress.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THOMPSON (for himself and Mr. GLENN):

S. 2071. A bill to extend a quarterly financial report program administered by the Secretary of Commerce; to the Committee on Governmental Affairs.

By Mr. DOMENICI (for himself and Mr. FRIST):

S. 2072. A bill to amend the Internal Revenue Code of 1986 to enhance the global competitiveness of United States businesses by permanently extending the research credit, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. DEWINE, and Mr. ABRAHAM):

S. 2073. A bill to authorize appropriations for the National Center for Missing and Exploited Children; to the Committee on the Judiciary.

By Mr. WELLSTONE:

S. 2074. A bill to guarantee for all Americans quality, affordable, and comprehensive health care coverage; to the Committee on Finance.

By Mr. ASHCROFT (for himself and Mr. MCCONNELL):

S. 2075. A bill to provide for expedited review of executive privilege claims and to improve efficiency of independent counsel investigations; to the Committee on the Judiciary.

S. 2076. A bill to provide reporting requirements for the assertion of executive privilege, and for other purposes; to the Committee on the Judiciary.

By Mr. FORD (for himself, Mr. BOND, Mr. DORGAN, and Mr. LEAHY):

S. 2077. A bill to maximize the national security of the United States and minimize the cost by providing for increased use of the capabilities of the National Guard and other reserve components of the United States; to improve the readiness of the reserve components; to ensure that adequate resources are provided for the reserve components; and for other purposes; to the Committee on Armed Services.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. ROBERTS, Mr. KERREY, Ms. MOSELEY-BRAUN, Mr. HAGEL, and Mr. ALLARD):

S. 2078. A bill to amend the Internal Revenue Code of 1986 to provide for Farm and Ranch Risk Management Accounts, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 230. A resolution to authorize the production of records by the Select Committee on Intelligence; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. FRIST):

S. 2072. A bill to amend the Internal Revenue Code of 1986 to enhance the global competitiveness of United States businesses by permanently extending the research credit, and for other purposes; to the Committee on Finance.

RESEARCH TAX CREDIT LEGISLATION

Mr. DOMENICI. Mr. President, advanced technologies drive a significant part of our nation's economic strength. Our economy and our wonderful standard of living depend on a constant influx of new technologies, processes, and products from our industries.

Many countries can provide labor at lower costs than the United States. As any new product matures, competitors using overseas labor can frequently find a way to undercut our production prices. We maintain our lead by constantly improving our products through encouragement of innovation.

The majority of new products require industrial research and development to reach the market stage. I want to encourage that research and development to create new products to ensure that our factories stay busy and that our workforce stays fully employed at high salaried jobs. I want more of our large multi-national companies to select the United States as the location for their R&D. R&D done here creates American jobs. And frequently the benefits of R&D in one area apply in another area; I want those spin-off benefits in this country, too.

The federal government has used the Research Tax Credit to encourage companies to perform research. But many studies document that the present form of this Tax Credit is not providing as much stimulation to industrial R&D as it could. Today, I introduce legislation to improve the Research Tax Credit.

The single most important change I'm proposing in the Research Tax Credit is to make it permanent. The credit has never been permanent, since Congress created it in 1981. Many stud-

ies point out that the temporary nature of the Credit has prevented companies from building careful research strategies. A recent study by Coopers and Lybrand claimed a \$41 billion stimulus for the economy by 2010, with \$13 billion added to the economy's productive capacity by 2010. Many of my Senate colleagues have endorsed legislation that includes this critical action, more than twenty at last count.

My legislative proposal goes further. The current Credit references a company's research intensity back to their level in the 1984-88 time period. That time period is too outdated to meet today's dynamic market conditions. Many companies now are operating in dramatically different markets, many with totally new product lines. My legislation allows a company to choose a four year period in the last ten years that best matches their own needs. This allows companies to tailor and optimize research strategies to match current market conditions.

The current approach has a provision that severely restricts the ability of many start-up companies to benefit from the full impact of the Credit. Recent analysis shows that 5 out of 6 start-up companies receive reduced benefits because of a provision that limits their allowable increase in research expenditures to half of their current expenditures. I'm concerned when start-up companies aren't receiving full benefit from this Credit. These are just the companies that tend to drive the innovative cycle in this country, they are the ones that frequently bring out the newest leading-edge products. My legislation allows start up companies for their first ten years to take full credit for their increases in research costs.

My legislation addresses several other shortcomings in the current Credit. Now there is a Basic Research Credit" allowed, but rarely used. It is defined to include only research with "no commercial interest." Now, I don't know too many companies that want to support—much less admit to their stockholders that they are supporting—research with no commercial interest. The idea of this clause was to encourage support of long term research; the kind that benefits far more than just the next product improvement. This is the kind of research that can enable a whole new product or service. We need to encourage this long term research. My legislation adds an incentive for this type of research by including any research that is done for a consortium of U.S. companies or any research that is destined for open literature publication. These two additions will include a lot more long term research that has future product applications. I've also allowed this credit to apply to research done in national labs, so companies can select the best source of research for any particular project.

And finally my legislation recognizes the importance of encouraging companies to use research capabilities wherever they exist in the country, whether